REMARKS / ARGUMENTS

Status of Claims

Claims 1-9 and 19-23 are currently pending in the subject application. Claims 10-18 are withdrawn from consideration. Claims 1-9 and 19-23 stand rejected. Claims 1, 4, 19, and 22 stand objected to.

Rejections

Rejections Under 35 U.S.C. § 112, Second Paragraph

Claims 1-9 and 21-23 stand rejected under 35 U.S.C. § 112, Second Paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Examiner asserts that claims 1-9 and 21-23 are not sufficiently precise due to the combining of two different statutory classes of invention in a single claim. The Applicant hereby amends claims 1-9 and 21-23 to claim methods rather than systems.

Rejections Under 35 U.S.C. § 101

Claims 1-9 and 19-23 stand rejected under 35 U.S.C. § 101 as being directed to a non-statutory subject matter. As noted above, claims 1-9 and 19-23 are amended not to embrace or overlap two different statutory classes of invention.

Rejections Under 35 U.S.C. § 102(e)

Claims 1-9 and 19-23 stand rejected under 35 U.S.C. § 102(e) by the Examiner as being anticipated by U.S. Patent No. 6,687,708 issued to Curtis H. Brobst et al. (hereinafter referred to as "Brobst").

With regard to claim 1, the Applicant respectfully disagrees with the Examiner's finding that Brobst teaches each and every element of the present invention as claimed. In fact, Brobst

does not teach *any* of the required elements of claim 1 that relate to a **"discount opportunity"** which relates "to invoices billed from a supplier to a buyer," as required by claim 1. Claim 1 also requires, inter alia, that the invoices have "terms which state a **discount price** if the invoice is paid within a **discount period**." Claim 1 further requires, inter alia, the steps of "identifying invoices which have **discount prices** associated with payment of the invoice during the **discount period**," "providing information relating to the invoices on which **discounts** are available to prospective bidders," and "receiving bids from respective potential bidders **which indicate the bidders terms upon which the respective potential bidders will pay** the invoices during the **discount period**." The Applicant respectfully asserts that the Examiner has not appreciated the nature of the invention considering that Brobst does not teach, suggest, or disclose in any manner whatsoever a method for exploiting **discount opportunities**, nor does Brobst teach, suggest, or disclose in any manner whatsoever a **discount price**, **discount period**, or **bids which indicate the bidders terms upon which the respective potential bidders will pay the invoices during the discount period**.

Instead, Brobst discloses "an extensible Object-Oriented (OO) framework in an object-oriented programming system [that] defines objects and classed used to correspond to and track a collection document." (column 2 lines 6-10). The term "collection document" is defined as equating with each of a "Bill of Exchange" and a "Promissory Note" which are both explicitly defined (neither of which include any reference to a discount opportunity having a related discount price and/or discount period). (column 4 lines 11-42). First, the Brobst device is used to correspond and track methods, data, and attributes which are common to both accounts receivable and accounts payable collection document objects, and then to correspond and track the methods, data, and attributes that are particular to the type of collection documents being

tracked. The collection document object may be in a variety of states that correspond to states of a "real" collection document. (column 6 lines 24-38). The Brobst device may be applied where collections documents are sold to a third person and where the third person has the risk of loss and becomes the bearer of the collection document. (column 5 lines 26-31). (It should be noted that where the collection document is an accounts receivable document, such as an invoice, the transaction described at column 5 lines 26-31 may be described as factoring (or accounts receivable financing). Factoring is defined by Wikipedia as "...a form of commercial finance whereby a business sells its accounts receivable (in the form of invoices) at a discount." (see http://en.wikipedia.org/wiki/Factoring_%28finance%29). Therefore, the Brobst device may be described as a system for corresponding and tracking methods, data, and attributes of a collection document object in an extensible Object-Oriented (OO) framework, including collections document objects intended to represent collection documents involved in factoring.

However, the present invention is not concerned with the mere tracking of the details of a collections document object, but rather, the present invention provides "a method for exploiting discount opportunities." While Brobst makes no reference to discounts, the present application explains that a discount is offered to a buyer by a seller to encourage the buyer to make prompt payment sooner than the final date acceptable by custom (such as 30 days from the invoice date). (page 1 lines 16-21). As described in the subject application, discounts are traditionally offered directly from the seller to the buyer, without the involvement of a third party. Based on the extensive discussion and explanation of what a "discount" is meant to refer to by the subject application, Brobst simply does not discuss discounts. The passage of Brobst at column 5 lines 15-16 cited by the Examiner discloses selling a collection document for a price less than the debt associated with the collection document (in other words, selling the right to collect based on the

document) but in no way does the passage refer to discounts as defined by the subject

application. In short, Brobst does not disclose or treat with any discussion a discount offered by a

seller to a buyer in exchange for early payment of a debt.

Further, the Brobst disclosure at column 5 lines 26-30 which describes selling a

"collection document to a third person...by placing the collection document on the open market

and selling to the highest bidder" merely discloses performing factoring in a free market.

However, the Examiner relies on that scant passage to provide all of the limitations of claim 1

associated with performing an auction of *discounts*. Specifically, the Examiner relies on the

passage to teach "providing information relating to the invoices on which discounts are available

to prospective bidders," "receiving bids from respective potential bidders which indicate the

bidders terms upon which the respective potential bidders will pay the invoices during the

discount period," and "selecting a winning bidder from the respective potential bidders, the

winning bidder is selected based upon select criteria, whereby if no respective potential bidders

meet the select criteria, no wining bidder will be selected," as required by claim 1. It is important

to note the high level differences between the Brobst device and the present invention. The

Brobst device is suited for labeling and tracking collection documents by representing them in a

software environment as collection document objects. On the other hand, the present invention

actually provides a marketplace for the exchange of discounts. Brobst does not disclose

providing information relating to invoices *on which discounts are available* to prospective

bidders. Brobst does not disclose a bid *that indicates the bidder's terms upon which the bidder

will pay an invoice during a discount period*. Brobst also fails to disclose the selection of a

winning bidder *based upon select criteria*. Further, Brobst fails to disclose *not selecting a

winning bidder if no potential bidder meets the select criteria*.

The Applicant submits that since Brobst does not teach each and every element of claim 1, Brobst cannot be held to anticipate claim 1. Accordingly, the Applicant submits that claim 1 is in condition for allowance and requests reconsideration and withdrawal of the rejection of claim 1 (and claims 2-9 due to their dependence from claim 1) under 35 U.S.C. § 102(e).

With regard to claim 2, the Examiner points out that Brobst discloses that a collection document object may be corresponded with CollDocPayableEarly 502, a transition extension which means that the debtor has informed the bearer that the debtor would like to pay the debt earlier than the due date. The Examiner relies upon this disclosure to teach the elements of claim 2 which are not found in claim 1, namely, that "the winning bidder pays the **discount price** of the invoice before the end of a **discount period**, and the supplier receives payment of the **discount price** before the end of the **discount period**." For the same reasons as stated above in the discussion of claim 1, the Applicant asserts that Brobst does not disclose a discount, a discount price, a discount period, or any reference to a discount and therefore cannot anticipate claim 2.

With regard to claims 3-9 and 19-23, the Applicant points out that the Examiner has not presented any arguments supporting rejection of those claims. According to 37 C.F.R. 1.104(c)(2), "when a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable." Further, "the pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified." (Id.) The Applicant reasserts the above arguments above and submits that claim 3-9 and 19-23 are in condition for allowance and requests reconsideration and withdrawal of the rejection of claims 3-9 and 19-23 under 35 U.S.C. § 102(e).

Rejections Under 35 U.S.C. § 103(a)

Claims 3-5 and 9 stand rejected under 35 U.S.C. § 103(a) by the Examiner as being

unpatentable over Brobst as applied to claim 1, and further in view of U.S. Patent Application

No. 2001/0051919 of Elaine Scott Mason (hereinafter referred to as "Mason"). The Applicant

respectfully disagrees with the Examiner's finding that the Brobst-Mason combination obviates

the present invention as claimed.

With regard to claim 3, the Examiner relies upon Brobst to teach all of the elements of

claim 3 but for "wherein the buyer pays the full price of the invoice after the discount period has

expired." The Applicant reasserts the previous arguments that Brobst does not disclose all of the

elements of claim 1. The Examiner relies upon Mason to teach "wherein the buyer pays the full

price of the invoice after the discount period has expired." The Applicant asserts that the neither

Brobst nor Mason provide any motivation to combine the references to arrive at the subject

invention as claimed. In fact, the references teach away from combining the features of Brobst

and Mason. For example, consider the overall goal of Mason which is to provide "an early

payment discount mechanism for an e-billing system that provides an incentive for **customer's**

early payment of invoice current charges." (paragraph 0009). Here, it is apparent that Mason

intends for the **customer** to use an online system to pay their invoice electronically. (paragraph

0010). Nowhere does Mason or Brobst teach, suggest, or disclose the desirability of having a

third party (to the seller and buyer) who makes payment on behalf of the buyer in exchange for a

portion of a discount. Further, Mason describes how customers must authenticate themselves by

entering their user ID and password to gain a real-time interface with e-billing system.

(paragraph 0030). The system described in Mason clearly provides for private access to the e-

billing system such that only a customer who is authenticated may access that customer's

invoices. This notion of exclusive access to customer invoice information is fully incompatible with a system where customer information (such as invoice information and discount information) needs to be freely viewable by third parties (or least a discount agent) such as the present invention requires. Since neither Brobst nor Mason, alone or in combination, disclose, teach, or suggest all of the limitations of the present invention as claimed and since they teach away from combining the two references to arrive at the claimed invention, the Applicant asserts that claim 3 is in condition for allowance and requests reconsideration and withdrawal of the rejection of claim 3 under 35 U.S.C. § 103(a).

With regard to claim 4, the Examiner further relies on Brobst to teach that the "**winning bidder** is paid the **discount price** plus an agreed upon return after the buyer has paid the full price of the invoice," as required by claim 4. Specifically, the Examiner points to column 13 lines 13-25 and column 15 lines 40-42 to teach the limitation. The passages selected by the Examiner disclose that a collections document object may be labeled with a SentToBank state when document object has been sent to a bank for collection. Brobst further discloses that a bank may reduce the money collected and forwarded to a bearer by a collection fee, which the bank apparently keeps as compensation for collecting money from a debtor on behalf of the bearer. (column 13 lines 13-25). Brobst further discloses that a state may be applied to a collections document object which indicates that the original bearer of the collection document has sold the collection document to a third party, who has become the new bearer and to which the debt is to be paid. (column 15 lines 40-42). The Applicant asserts that neither Brobst nor Mason, alone or in combination, teach a third party (such as a winning bidder) receiving the discount price. Further, neither of the references teach an auction *of the discount* having a **winning bidder**. Since neither Brobst nor Mason, alone or in combination, disclose, teach, or suggest all of the

limitations of the present invention as claimed, the Applicant asserts that claim 4 is in condition

for allowance and requests reconsideration and withdrawal of the rejection of claim 4 under 35

U.S.C. § 103(a).

With regard to claim 5, the Examiner further relies on Mason to teach that the "**buyer**

receives a rebate after the full price of the invoice has been paid," as required by claim 5.

Specifically, the Examiner points to section [0010] to teach the limitation. In that regard, the

Applicant submits that the Examiner has misunderstood the Mason reference. The Mason system

does not provide a rebate to the buyer after the buyer has paid the full price of the invoice, but

rather, the Mason system first determines a customer's eligibility for receiving a discount and

then selectively presents a 'discounted' or 'adjusted' total amount due. The benefit of the Mason

system is that the customer has an opportunity to *avoid paying the full price of the **regular***

invoice price (price of the invoice without any adjustment). Since neither Brobst nor Mason,

alone or in combination, disclose, teach, or suggest all of the limitations of the present invention

as claimed, the Applicant asserts that claim 5 is in condition for allowance and requests

reconsideration and withdrawal of the rejection of claim 5 under 35 U.S.C. § 103(a).

Claims 6-8 and 19-23 stand rejected under 35 U.S.C. § 103(a) by the Examiner as being

unpatentable over Brobst as applied to claim 1, and further in view of U.S. Patent No. 6,415,270

issued to Randall I. Rackson et al. (hereinafter referred to as "Rackson"). The Applicant

respectfully disagrees with the Examiner's finding that the Brobst-Rackson combination obviates

the present invention as claimed. First, the Applicant reasserts the arguments made previously

with regard to the application of Brobst to claim 1 and notes that neither Brobst nor Rackson

teach, disclose, or suggest **discounts** being *sold to a third party* (to the seller and buyer) as

defined by the present specification. The absence of this element alone is sufficient for traversing

the Examiner's rejection of claims 6-8 and 19-23. Further, while Rackson discloses a "multi-auction service periodically checking each of the remote auction services…to detect…matching items" and "selecting a matching item to bid on…," neither Rackson nor Brobst disclose matching items by "assign[ing] a *numerical code* to indicate **preferences on the type of** *invoices* on which the respective potential bidder will bid," as required by claim 6 and its dependent. Similarly, neither Racskon nor Brobst disclose "**numerically coding the** *invoices* according to appropriate criteria," "**numerically coding potential bidders** to indicate **preferences on the type of** *invoices* on which the respective potential bidder will bid," or "**matching the numerical coding of the potential bidders and the numerical coding of the** *invoice*," as required by claim 19 and its dependents. With so much of each of claims 6 and 19 not being taught, disclosed, or suggested by either of the Brobst-Rackson combination, the Applicant submits that claims 6-8 and 19-23 are in condition for allowance and requests reconsideration and withdrawal of the rejection of claims 6-8 and 19-23 under 35 U.S.C. § 103(a).

Objections

Claim Objections

Claims 1, 4, 19, and 22 stand objected to because of informalities. Claims 1, 4, 19, and 22 are hereby amended to correct those informalities.

Conclusion

For all of the foregoing reasons and in view of the foregoing amendments, Applicant respectfully contends that the application is now in condition for allowance. Accordingly, Applicant respectfully requests entry of the foregoing amendments, reconsideration and allowance of claims 1-9 and 19-23, and issuance of a Patent for the subject invention. If the

Examiner cares to discuss anything presented here to further prosecution of this application, he is

invited to contact the undersigned Attorney for the Applicant. Please charge any additional

requisite fees relating to this amendment and response to Deposit Account No. 501581.

Respectfully submitted,

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